

## ACT 19

S.B. NO. 634

A Bill for an Act Relating to Higher Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 307-2, Hawaii Revised Statutes, is amended to read as follows:

**“§307-2 Board of directors; composition.** The affairs of the research corporation shall be under the general management and control of the board of directors, hereinafter referred to as the “board”. The board shall consist of [nine] ten members. [The president and director of research of the University of Hawaii, and the director of business, economic development, and tourism of the State, or a designated representative, shall serve as ex officio voting members.] Five members of the board of regents of the University of Hawaii, selected by the board of regents, shall be members of the board for terms to be determined by the board of regents; provided that no term shall extend beyond the term as a member of the board of regents. The remaining [six] five members shall be appointed by the governor pursuant to section 26-34. All the members appointed by the governor[, other than the ex officio members.] shall serve for a term of four years, except that the governor may reduce the terms of those initially appointed so as to provide, as nearly as can be, for the expiration of an equal number of terms at intervals of one year, each term commencing on July 1 and expiring on June 30. All members of the board shall serve without pay, but shall be entitled to reimbursement for necessary expenses while attending meetings and while in the discharge of duties and responsibilities.

The members of the board shall elect the chairperson of the board.

[If for any reason whatsoever any of the ex officio positions is eliminated or changed in any way, the officer performing the basic functions of such ex officio position shall qualify to serve as the ex officio voting member on the board.]’

SECTION 2. Section 307-3, Hawaii Revised Statutes, is amended to read as follows:

**“§307-3 Powers of the board.** The research corporation, under the direction of the board of directors, shall have the following general powers:

- (1) To adopt, amend, and repeal bylaws governing the conduct of its business and the exercise of the powers and performance of duties granted to or imposed upon it by law.
- (2) To sell, lease, rent, hold, maintain, use, and operate any property, real, personal, or mixed, tangible or intangible, in accordance with the conditions under which it was received.
- (3) To enter into and perform such contracts, leases, cooperative agreements, or other transactions with the University of Hawaii or any other agency or political subdivision of the State, any private person, firm, partnership, association, company, or corporation only, as it may be necessary in the conduct of its business and on such terms as it may deem appropriate; provided that the research corporation shall not obligate any funds of the State except such as have been appropriated to it. Notwithstanding the foregoing, the research corporation may enter into and perform such contracts, leases, cooperative agreements, or other transactions with any agency or instrumentality of the United States, a foreign nation, a state, a territory, or a possession, or with any political subdivision thereof, whenever the donating or granting agency

or instrumentality determines that the university or any other agency of [our] the State cannot as effectively and efficiently accomplish the purposes for which such contracts, leases, cooperative agreements, or other transactions are being entered into; provided that the research corporation shall not obligate any funds of the State except such as have been appropriated to it.

- (4) To receive by gifts, grants, devises, bequests, or otherwise from private sources only, any property, real, personal, or mixed, intangible or tangible, absolutely or in trust, to be used and disposed of, either the principal or the income therefrom, in accordance with the conditions under which it was received; except that no gift to the research corporation shall be accepted unless approved or confirmed by the board of directors. Notwithstanding the foregoing, the research corporation may receive gifts, grants or awards from any agency or instrumentality of the United States, a foreign nation, a state, a territory, or a possession, or from any political subdivision thereof, whenever the donating or granting agency or instrumentality determines that the university or any other agency of [our] the State cannot as effectively and efficiently accomplish the purposes for which such gifts, grants, or awards are being made, except that no gift to the research corporation shall be accepted unless approved or confirmed by the board of directors.
- (5) To have a corporate seal.
- (6) To sue and be sued in its own name.
- (7) To serve as trustee or beneficiary under terms of any gift, indenture, or will.
- (8) To apply for, take out, receive by purchase or gift, hold, administer, and dispose of copyrights, patent rights, licenses, assignments of inventions, discoveries, processes, and other property, rights or interests therein, and the income thereof, absolutely or subject to such conditions or trusts as may be attached thereto or be imposed thereon, and to obligate itself to perform and execute any and all such conditions or trusts.
- (9) To conduct research, studies, experiments, investigations, and tests in all fields of knowledge; to promote and develop the scientific and commercial value of inventions, discoveries, and processes; and to make, publish, and distribute the results thereof.
- (10) To coordinate and correlate activities and projects of the research corporation with the work of state agencies for the purpose of relating research work to the economic development of the State whenever practical or desirable.
- (11) To stimulate and promote cooperative research projects and activities.
- (12) To establish and maintain, or to assist in establishing and maintaining scholarships, fellowships, and professorships, and other staff positions for the purpose of aiding in the acquisition and dissemination of knowledge, and to enter into agreements or contracts with other corporations, organizations, institutions, or persons for this purpose and to pay the necessary and appropriate expenses therefor.
- (13) To prepare, print, or publish any manuscript, research article, report, study, discussion, reference, collection, or any pictorial or schematic representation or group or collection thereof, whether the same belongs to or is the work of any state agency or its employees, or university or one of its faculty members or employees, or the research corporation or its employees or a contractor of the research corporation. The printing

- or publication may be accomplished through whatever person, company, or agency is deemed most appropriate by the board of directors.
- (14) To do any or all other acts reasonably necessary to carry out the objects and purposes of the corporation and the university.”

SECTION 3. Section 307-4, Hawaii Revised Statutes, is amended to read as follows:

**“§307-4 Research corporation excepted from certain state laws.** In order to [promote cooperative research projects with private firms or persons,] carry out the purposes and objectives of the research corporation, including the conduct of research and training projects, the research corporation shall be granted flexibility in hiring its personnel and in handling and disbursing moneys by being excepted from the following state laws:

- (1) Sections 36-27 and 36-30, relating to special fund reimbursements to the state general fund;
- (2) Chapter 103D and ~~[[section[]]~~ 103-42, relating to advertising for bids and purchases to be made in Hawaii whenever public moneys are expended;
- (3) Chapter 76, relating to civil service;
- (4) Chapter 77, relating to compensation; and
- (5) Section 78-1, relating to public employment.”

SECTION 4. Section 307-5, Hawaii Revised Statutes, is amended to read as follows:

**“§307-5 [Employees] Officers and employees of the research corporation.** The [board of directors may appoint an executive director and such other] President of the University of Hawaii shall be the president of the corporation. The board of directors may also appoint such other officers and employees as may be necessary in administering the affairs of the research corporation. It shall set the employees’ duties, responsibilities, salaries, holidays, vacations, leaves, hours of work, and working conditions. It may grant such other benefits to its employees as it deems necessary. Employees of the research corporation shall not be entitled to any benefits conferred under chapter 76 relating to civil service, chapter 77 relating to compensation, chapters 78 to 83 relating to public employment, and chapter 88 relating to pension and retirement system.”

SECTION 5. Section 307-9, Hawaii Revised Statutes, is amended to read as follows:

**“§307-9 Special fund.** Notwithstanding any other law to the contrary, the research corporation shall be authorized to set up a special account for depositing moneys received from either public or private contracts, or from private or public grants, awards, or gifts. The provisions of section 304-8 and other laws to the contrary notwithstanding, this special account may be used to receive, disburse, and account for funds of research and training projects of the University of Hawaii, other state agencies, and political subdivisions of the State. All disbursements shall be drawn on such special account upon checks prepared and signed as approved by the executive director and some other person authorized by the board of directors.”

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.

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**SECTION 7.** This Act shall take effect upon its approval, except that Section 1 shall take effect on July 1, 1995.

(Approved April 19, 1995.)